



MKS PAMP GROUP Europe / US Market Update

13th June 2019

Range Europe / US Markets
(from Globex open)

12-Jun-19	GOLD		SILVER		PLATINUM		PALLADIUM	
	Bid	Offer	Bid	Offer	Bid	Offer	Bid	Offer
OPEN	1326.84	1327.34	14.7450	14.7650	815.35	818.35	1393.71	1396.71
HIGH	1338.46	1338.96	14.8795	14.8995	820.84	823.84	1417.70	1420.70
LOW	1326.10	1326.60	14.7308	14.7508	809.11	812.11	1387.06	1390.06
CLOSE	1333.00	1333.50	14.7740	14.7940	810.84	813.84	1412.31	1415.31
EFP	3.65	3.75	-0.0250	-0.0150	-0.50	0.50	-12.00	-2.00
LBMA Prices	AM	PM	14.790		AM	PM	AM	PM
	1336.65	1332.35			817.00	812.00	1396.00	1403.00
Active Contract	GCQ9 Comdty		SIN9 Comdty		PLN9 Comdty		PAU9 Comdty	

MACRO

- A soft U.S. inflation report and concerns over the on-going U.S. - China trade standoff weighed upon sentiment on Wednesday.
- The DJIA finished the session off -0.17% to 26,004.83 points, the S&P 500 slipped -0.20% to 2,879.84 points, while the Nasdaq Composite fell -0.38% to 7,792.719 points.
- Financials (-0.95%) and energy (-1.44%) led the laggards.
- The Stoxx Europe 600 slid -0.30% to 379.74 points, the German Dax declined -0.33% to 12,115.68 points and in London the FTSE 100 fell -0.42% to 7,367.62 points.
- The greenback recorded gains against majors on Wednesday, largely firming in New York after exhibiting weakness in Asia and Europe. The DXY index added +0.3% as the dollar finished flat against the Japanese yen, while outpacing the euro (-0.35%) and the pound (-0.29%).
- Treasury yields softened overnight following the inflation print. The two-year declined 5.7bps to 1.87% and the 10-year fell 2.3bps to 2.11%
- Oil futures traded heavily on Wednesday following a report from the EIA noting U.S. crude supplies increased by 2.2 million barrels during the week ended June 7. WTI settled down -4% to USD \$51.14 per barrel, marking the lowest front-month contract finish since mid January. Brent crude meanwhile slumped -3.7% to USD \$59.97 per barrel.



- U.S. inflation data for May showed a modest +0.1% increase (exp: +0.1%) from +0.3% previously, to mark the smallest gain since January. On an annualised basis inflation eased to +1.8% YoY (exp: +1.9%) from 2.0% previously, while core inflation increased +0.1% MoM (exp: +0.2%) and +2.0% YoY (exp: +2.1%).

PRECIOUS

- A positive session across the precious complex on Wednesday, with gold moving above and consolidating through the USD \$1,330 pivot following a test of USD \$1,320 on Tuesday.
- The yellow metal found favour in Asia to move through USD \$1,330 in early Chinese trade as the greenback softened, while regional fund interest accelerated gains into European hours to touch USD \$1,337.
- Pricing remained buoyant in Europe and early New York to print a session high of USD \$1,338.40 on the softer U.S. CPI print.
- With no real catalyst to speak of, the dollar firmed post- CPI to weigh upon bullion, however the important USD \$1,330 level remained intact.
- Silver didn't benefit as much as gold and while bid, failed to test toward the recent USD \$15 figure.
- Platinum was mixed but remained firm above USD \$800, while palladium ripped through USD \$1,400 and consolidated above the figure as renewed borrowing interest filtered into the market.

PRE-ASIA COMMENTS

- Softer treasury yields and a softer U.S. dollar have both supported gold in early trade.
- Support toward USD \$1,330 and resistance through USD \$1,338 - \$1,340 and USD \$1,346 - \$1350.
- Softer Australian employment data has weighed upon the AUD to see XAU/AUD to a fresh record high of AUD \$1,935.
- Data today includes;
- German CPI
- Eurozone industrial production
- U.S. initial jobless claims

Although the information in this report has been obtained from and is based upon sources MKS believes to be reliable, we do not guarantee its accuracy and it may be incomplete or condensed. All opinions and estimates constitute MKS' judgment as of the date of this report and are subject to change without notice. This report is for informational purposes only and is not intended as investment advice, offer or solicitation for the purchase or sale of an investment. This report does not consider or take into account the investment objectives or financial situation of a particular party.